

**IOWA FINANCE AUTHORITY
BOARD MEETING MINUTES**

**Iowa Hospital Association Education Center
100 E. Grand Avenue, First Floor
Des Moines, Iowa**

June 7, 2006

BOARD MEMBERS PRESENT

Kay Anderson, Vice Chair
Steven Adams
Virginia Bordwell

Roger Caudron
Heather Kramer
Douglas Walter
Dick Wright

STAFF MEMBERS PRESENT

Bret Mills, Executive Director
Lori Beary, Community Development Director
Laura Abbott, Housing & Grant Specialist
Mickey Carlson, Single-Family Program Manager
Dennis Dietz, Director of Policy
Steven Harvey, Director of Operations
Tim Jansen, Program Accounting Manager
Craig Johnson, Financial Analyst
Shawna Lode, Communications Director

Tim Morlan, Underwriter
Lloyd Ogle, Title Guaranty Division
Director
Carla Pope, Service Enriched Housing
Director
Callie Sheil, Secretary
James Smith, Deputy Director/CFO
Mark Thompson, General Counsel
Tim Waddell, LIHTC Manager
Nancy Wallis, Administrative Assistant

OTHERS PRESENT

Kristi Boyce – Wells Fargo Bank Iowa, NA
Bob Burns – Burns & Burns, L.C.
Jim Conlin – Conlin Properties
Joni DeVries – Wells Fargo Bank Iowa, NA
Dan Garrett – Iowa Equity Fund

David Grossklaus – Dorsey & Whitney
Kathy Ingle – Iowa Coalition for Housing &
the Homelessness
Jina Lilly – State Treasurer's Office
Kristin Saddoris – Conlin Properties

CALL TO ORDER

Vice Chair Anderson called to order the June 7, 2006, regular meeting of the Iowa Finance Authority (IFA) Board of Directors at 11:02 a.m. Roll call was taken and a quorum was established with the following members present: Anderson, Bordwell, Caudron, Kramer, Walter and Wright.

REVIEW AND APPROVAL OF MINUTES

May 3, 2006

Vice Chair Anderson introduced the minutes of the May 3, 2006, regular meeting of the IFA Board of Directors.

MOTION: On a motion by Mr. Doug Walter and a second by Ms. Heather Kramer, the Board unanimously approved the minutes from the May 3, 2006, regular meeting of the IFA Board of Directors.

May 8, 2006

Vice Chair Anderson introduced the minutes from the May 8, 2006, telephonic Board of Directors meeting.

MOTION: On a motion by Mr. Roger Caudron and a second by Mr. Walter, a vote was taken with the following results: YES – Anderson, Caudron, Kramer, Walter and Wright. NO – None, ABSTAIN – Bordwell, who did not participate in the May 8, 2006, meeting. The Board approved the May 8, 2006 minutes on a majority vote.

May 25, 2006

Vice Chair Anderson introduced the minutes from the May 8, 2006, telephonic Board of Directors meeting.

Mr. Dick Wright mentioned that the date on the agenda was incorrect. He also mentioned that the end time of the meeting was incorrect.

MOTION: On a motion by Ms. Virginia Bordwell and a second by Ms. Kramer, the Board unanimously approved the minutes from the May 25, 2006, telephonic Board of Directors meeting with the corrected end time of the meeting.

ADMINISTRATION / MANAGEMENT REPORT

Mr. Bret Mills mentioned that the progress on the new office building is moving along nicely and the closing is scheduled for Friday, June 9, 2006, at 10:30 a.m. On Monday June 12, 2006, he will meet with the engineer/architect firm to determine a timeline.

Mr. Mills congratulated the Single-Family Program Staff on a major milestone of more than \$200,000,000 in FirstHome mortgages purchased to date in fiscal year 2006.

Mr. Mills stated that Title Guaranty and SRF are making progress on the development of web tools for their programs.

Mr. Mills welcomed back Ms. Julie Noland from Iowa Great Places. He stated that she will be working at IFA as a grant writer.

LEGAL / REGULATORY

Administrative Rules: Ch. 19 – Final Adoption of 2007 State Housing Trust Fund Allocation Plan

Mr. Mark Thompson introduced the administrative rules chapter 19 and mentioned that there was no public action, but a few changes were made based on staff recommendation.

MOTION: On a motion by Ms. Bordwell and a second by Mr. Wright, the Board unanimously approved the Administrative Rules Final adoption of the 2007 State Housing Trust Fund Allocation Plan.

Notice of Intended Action Re: 265 IAC Ch. 12; 2007 Qualified Allocation Plan (QAP)

Mr. Thompson stated to the Board that they have the actual 2007 QAP in their Board packets for their review and asked if they had any questions.

Mr. Caudron complimented the staff on the QAP Advisory Group meeting. He thought everything went well and all questions were answered.

Mr. Wright asked Mr. Tim Waddell what set-a-sides are available.

Mr. Waddell replied that the set-asides are: Service Enriched, Preservation, Affordable Assisted Living and Non-Profit.

MOTION: On a motion by Mr. Caudron and a second by Mr. Walter, the Board unanimously approved the Notice of Intended Action for the 2007 Qualified Allocation Plan.

Request for Waiver of Rules: Ch. 265 – 24, Home & Community Based Service, Rent Subsidy Program

Ms. Carla Pope reviewed the memorandum that was included in the Board packet and reviewed the information on requests for three separate waivers: Mr. Matt Haviland, Mr. David Burns and Mr. Shawn Mehlert.

MOTION: On a motion by Ms. Bordwell and a second by Mr. Caudron, the Board unanimously approved to deny the request because IFA is a last resort for rent subsidy and Mr. Haviland has an alternate local source of rent subsidy.

MOTION: On a motion by Ms. Bordwell and a second by Mr. Caudron, the Board unanimously approved to deny the request because IFA is a last resort for rent subsidy and Mr. Burns has an alternate local source of rent subsidy.

MOTION: On a motion by Ms. Bordwell and a second by Ms. Kramer, the Board unanimously approved to extend Mr. Mehlert's rent subsidy for one year and to review it at that time.

Resolution to Implement a Coordinated Entrepreneurs with Disabilities (EWD) Program

Ms. Pope introduced a resolution to determine that certain amendments to the agreement between IFA and the Iowa Department of Education, Division of Iowa Vocational Rehabilitation Services (IVRS) to implement a Coordinated Entrepreneurs with Disabilities (EWD) Program.

MOTION: On a motion by Mr. Wright and a second by Mr. Walter, the Board unanimously approved and the resolution to implement Coordinated Entrepreneurs with Disabilities Program.

Mr. Steve Adams arrived at 11:28 a.m.

FINANCE AND ACCOUNTING

Finance Update

Mr. Steve Harvey reviewed the Financial Report for the month of April. He stated that the financials have improved and the loan to asset ratio has excelled.

Approval of Financial Statement

MOTION: On a motion by Mr. Adams and a second by Mr. Wright, the Board unanimously approved the April 2006 financial statement.

Supplemental Resolution Re: Amendments to Single-Family Mortgage Bond Resolution (Adopted July 10, 1991)

Mr. James Smith introduced a resolution to expand some of the uses of the bonds for Single-Family uses. It also includes a transfer of funds from the general fund to the Single-Family resolution. The change will help reserve the need to bond and puts funds into very good assets.

MOTION: On a motion by Mr. Walter and a second by Ms. Bordwell, the Board unanimously approved Resolution Re: Amendments to Single-Family Mortgage Bond Resolution.

Approval of FY07 Budget and Funds Transfer

Mr. Harvey reviewed the FY07 Budget and mentioned the changes that were made from the previous month. He added the purchase of 2015 Grand Office Building. There was an overlap of expenses for two facilities which will add cost to next year's budget. IFA has moved one staff member from the SRF program to the Housing Programs and added \$10,000 for degree cost for education reimbursement.

MOTION: On a motion by Mr. Adams and a second by Mr. Caudron, the Board unanimously approved the FY07 Budget and Funds Transfer.

Resolution Approving Financing Re: Office Building

Mr. Smith introduced the Resolution Approving Financing Re: Office Building. He stated Bank of America came through with a proposal for financing for the next 2 or 3 months and will develop long-term financing to bring back to the Board.

MOTION: On a motion by Mr. Walter and a second by Ms. Bordwell, the Board unanimously approved the Resolution Approving Financing Re: Office Building.

ECONOMIC DEVELOPMENT LOAN PROGRAM

ED Loan #05-24B-1 Amity Fellowserve

Ms. Lori Beary introduced the amending authorizing resolution for \$6,000,000 of IFA's Elder Care Facility Revenue Bonds for Amity Fellowserve in Waterloo. The bonds will be used to refinance outstanding 1998 bonds to improve the borrower's cash flow. The inducement resolution was adopted on December 7, 2005. The public hearing was held and the authorizing resolution was adopted on December 19, 2005. This resolution changes the Trustee from US Bank to Wells Fargo Bank.

MOTION: On a motion by Mr. Adams and a second by Mr. Wright, the Board unanimously approved Resolution #05-24B-1.

ED Loan #06-08A Iowa Health Systems Project

Ms. Beary introduced a resolution for \$150,000,000 of IFA's Healthcare Facility Revenue Bonds for Iowa Health Systems. The Bonds will be used for improvements to facilities in Bettendorf, Des Moines, Cedar Rapids, Waterloo, Dubuque, Fort Dodge and Sioux City. This project will not require Private Activity Bond Cap.

MOTION: On a motion by Ms. Bordwell and a second by Ms. Kramer, the Board unanimously approved Resolution #06-08A.

ED Loan #06-09A, Care Initiatives Project

Ms. Beary introduced a resolution for \$20,000,000 of IFA's Health Care Facilities Development Revenue Bonds for Care Initiatives. The bonds will be used to construct replacement nursing centers in Coralville, Osceola and Oskaloosa and for improvements at other facilities. This project does not require Private Activity Bond Cap.

MOTION: On a motion by Mr. Wright and a second by Mr. Walter, the Board unanimously approved Resolution #06-09A.

ED Loan #06-10A Dame Brothers Co., Windsor Windows Project

Ms. Beary introduced a resolution for \$3,720,000 of IFA's Manufacturing Facility Revenue Bonds for Dame Brothers Co., LP for their Windsor Windows Project in West Des Moines. The bonds will be used for constructing a 103,000 square foot manufacturing facility adjacent to the current facility. The plant will be used for the production of vinyl windows and doors. This project will require Private Activity Bond Cap.

MOTION: On a motion by Mr. Caudron and a second by Mr. Adams, the Board unanimously approved Resolution #06-10A.

ED Loan #06-11B Care Initiatives Projects

Ms. Beary introduced an authorizing resolution for \$105,000,000 of IFA's Health Facilities Development Revenue Bonds for Care Initiatives. The bonds will be used to

refund bonds issued in 1996 that were used to acquire 41 intermediate care nursing facilities.

MOTION: On a motion by Mr. Caudron and a second by Ms. Bordwell, the Board unanimously approved Resolution #06-11B.

State Revolving Fund Program

Planning & Design Loan Resolution

Ms. Beary distributed an amended resolution introducing Planning and Design loans for the cities of Ottumwa, Sac City and Early. These loans will be at 0 percent interest for up to 3 years. The funds are used for the planning and design phases of a drinking water infrastructure projects. The total for these projects is \$385,000.

With the adoption of this resolution, IFA has approved Planning & Design loans totaling \$6,774,325 for 38 projects.

HOUSING PROGRAMS

In the absence of Ms. Donna Davis, Mr. Waddell made the Housing Programs report to the Board.

Ms. Mickey Carlson mentioned that Single Family has had a great year with more than \$240,000,000 in reservations.

Resolution Re: Iowa Coalition for Housing & Homelessness (the Coalition)

Mr. Craig Johnson introduced a resolution to loan the Coalition up to \$60,000 from its general fund for up to fifteen years, unsecured, at 3 percent interest per annum. The elimination of the Coalition's outstanding obligations through a consolidation loan will enable the Coalition to function with its present staff and current income pending the hiring of a new executive director and securing new grants.

MOTION: On a motion by Mr. Wright and a second by Ms. Kramer, the Board unanimously approved the Resolution Re: Iowa Coalition for Housing & Homelessness.

Resolution Re: Renaissance Park Apartments, Waterloo

Mr. Tim Morlan introduced a resolution to fund an unsecured predevelopment loan to the owner in an amount not to exceed \$20,000, with an interest rate not to exceed 3 percent, and maturity not to exceeding one year. This loan is to assist Renaissance Park Apartments in proceeding with the refinancing and rehabilitation of a 50-unit Section 8 property constructed in 1980.

MOTION: On a motion by Ms. Bordwell and a second by Mr. Adams, the Board unanimously approved Resolution Re: Renaissance Park Apartments, Waterloo.

Resolution Re: Sanctuary Apartments, Sioux City

Mr. Morlan introduced a resolution to loan Sanctuary Apartments in Sioux City, Iowa a construction loan that will be converted to the permanent loan from the Transitional Housing Loan Fund in an amount not to exceed \$700,000, with a maturity of not to exceed 2 years.

MOTION: On a motion by Mr. Caudron and a second by Mr. Walter, the Board unanimously approved Resolution Re: Sanctuary Apartments, Sioux City.

TITLE GUARANTY DIVISION (TGD)

Mr. Loyd Ogle mentioned that the TGD Board of Directors met in May and approved a transfer of funds for \$840,000 to IFA's housing programs.

MOTION: On a motion by Mr. Adams and a second by Ms. Kramer, the Board unanimously approved the \$840,000 transfer of funds from TGD to IFA.

Mr. Ogle stated that the CAP program is in the midst of rolling out and will save an substantial amount of money.

Ms. Bordwell asked how the non-purchase product was progressing.

Mr. Ogle replied that he did not have the exact numbers with him but it was approximately 10 percent.

Mr. Ogle then mentioned that the claims rate had been steady at budget or just under with claims paid.

POLICY / LEGISLATION

Mr. Dennis Dietz reviewed the material given in the Board packet.

COMMUNICATIONS

Ms. Shawna Lode mentioned that June is National Homeownership Month. She also stated that there will be a news conference in Coralville, Iowa on June 26, 2006, to highlight a young couple who utilized the Military Service Member Homeownership Assistance Program.

Ms. Lode reminded the Board that the IFA Housing Conference will be coming up in September, and that she and a few staff are working on putting together an electronic newsletter.

MISCELLANEOUS ITEMS

Receive Comments from General Public

Vice Chair Anderson opened the public comment period and asked if anyone in the audience would like to address the Board.

Mr. Jim Conlin stated that the tax bill was deferred and will move into the next session. He mentioned that he was successful getting a bill through which streamlines the court procedure for landlords.

Mr. Bob Burns stated that he felt the 2007 Low-Income Housing Tax Credit QAP was made more restrictive because of the new rule that a family member of a developer cannot become a developer with the tax credit program. Mr. Burns feels that the person who is taking the economic risk, should be considered separate from another family member.

There being no further audience members wishing to address the Board, Vice Chair Anderson closed the public comment period.

Next Month

The next regular meeting of the IFA Board of Directors will be held at 10:45 a.m. on Wednesday, July 12, 2006, at the Iowa Hospital Association Education Center, located at 100 E. Grand Avenue, 1st Floor, Des Moines, Iowa.

ADJOURNMENT

There being no further business, on a motion by Mr. Caudron and a second by Mr. Wright, the June 7, 2006, meeting of the IFA Board of Directors adjourned at 1:00 p.m.

Dated this 12th day of July, 2006.

Respectfully submitted:

Approved as to form:

Bret L. Mills
Executive Director
Iowa Finance Authority

Vincent Lintz, Chair
Iowa Finance Authority